

REMARKS

Introduction

In response to the Office Action dated June 4, 2007, Applicants have amended the specification and claims 1, 3-5, 7-9, 11-13, and 15-16. The specification has been amended to correct a translation error from the counterpart PCT application in which the numeral “100” is correctly presented. Claims 1, 3-5, 7-9, 11-13, and 15-16 have been amended to remove reference numerals corresponding to the drawing figures. Care has been taken to avoid the introduction of new matter. Claims 8 and 16 are withdrawn. In view of the foregoing amendments and the following remarks, Applicants respectfully submit that all pending claims are in condition for allowance.

Claim Rejections Under 35 U.S.C. § 103

Claims 1-7 and 9-15 stand rejected under 35 U.S.C. § 103 (a) as being unpatentable over U.S. Patent No. 5,935,722 (hereinafter Moorhead). The Office Action asserts that Moorhead discloses the use of multilayered soft magnetic materials including ferrous and nonferrous alloys and a preferable magnetic alloy when a composite is to be used for a magnetic core. The Office Action alleges that an insulation layer may consist of an oxide layer on the metal plus an organic adhesive.

Moorhead shows in Fig. 1 an inorganic binding media 12 disposed **between** metal powder layers 10. The powder layer of Moorhead is a collection of magnetic particles (col. 5, lines 9-16). Only a small portion of the powder layer including thin metal laminations are bonded with the inorganic bonding media. The inorganic binding media 12 is heated to contact a few particles of the metal powder layers 10 (*see, e.g.*, Fig. 1 where the inorganic binding media

12 only contacts the particles of the metal powder layers at each interface between the two layers). The remaining particles found in the metal powder layers have no contact with the inorganic binding media in Moorhead. Further, Moorhead is *silent* regarding a lower film surrounding a surface of **each metal magnetic particle** including a nonferrous material. Thus, Moorhead fails to teach or suggest, at a minimum, “...**each of said plurality of composite magnetic particles** having: a metal magnetic particle including iron; **a lower film surrounding a surface of said metal magnetic particle** and including a nonferrous metal; and **an insulating upper film surrounding a surface of said lower film** and including at least one of oxygen and carbon,” as recited in amended claims 1 and 9.

The Office Action acknowledges that Moorhead does not disclose affinities for nonferrous and/or ferrous metals. The Office Action asserts that these properties are inherent because the Applicants and Moorhead teach virtually identical structures with similar materials.

Inherency requires that the prior art material necessarily has the required properties. The assertion that the prior art material *may* have comparable properties in similar, but not identical structures, is insufficient to assert that the prior art inherently has the claimed properties.

That is, inherency may not be established by probabilities or possibilities,” *Scaltech Inc. v. Retec/Tetra*, 178 F.3d 1378 (Fed. Cir. 1999). In the instant case, as Moorhead is *silent* as to a lower film surrounding a surface of each metal magnetic particle including a nonferrous material, it cannot provide a basis for asserting inherency of this feature. Thus, Moorhead fails to disclose or infer, “...wherein said nonferrous metal has an affinity with the at least one of oxygen and carbon included in said upper film that is larger than such affinity of iron,” as recited in amended claim 1.

Similarly, the nonferrous metal has a diffusion coefficient with respect to at least one of oxygen and carbon included in the upper film that is smaller than such diffusion coefficient of iron, as required by claim 9. As stated above, Moorhead is *silent* regarding the lower film including **a nonferrous metal**. Therefore, Moorhead fails to disclose or suggest, "...wherein said **nonferrous metal** has a diffusion coefficient with respect to the at least one of oxygen and carbon included in said upper film that is smaller than such diffusion coefficient of iron," as recited in amended claim 9.

As anticipation under 35 U.S.C. § 102 requires that each and every element of the claim be disclosed, either expressly or inherently (noting that "inherency may not be established by probabilities or possibilities," *Scaltech Inc. v. Retec/Tetra*, 178 F.3d 1378 (Fed. Cir. 1999)), in a single prior art reference, *Akzo N.V. v. U.S. Int'l Trade Commission*, 808 F.2d 1471 (Fed. Cir. 1986), based on the foregoing, it is submitted that Moorhead does not anticipate claims 1 and 9 nor any claim dependent thereon.

Claims 3, 5, 11, and 13 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Moorhead, and further in view of U.S. Patent No. 4,919,734 to Ochiai et al. Claims 3 and 5, which depend from claim 1, and claims 11 and 13, which depend from claim 9, include all of the features of their base claim plus additional features, which are not taught or suggested by the cited references. Therefore, for at least these reasons, it is respectfully submitted that claims 3, 5, 11, and 13 are also patentably distinguishable over the cited references.

Conclusion

In view of the above amendments and remarks, Applicants submit that this application should be allowed and the case passed to issue. If there are any questions regarding this

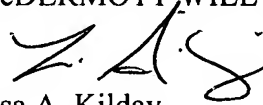
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Amendment or the application in general, a telephone call to the undersigned would be appreciated to expedite the prosecution of the application.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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